

COMMISSIONERS  
MIKE GLEASON - Chairman  
WILLIAM A. MUNDELL  
JEFF HATCH-MILLER  
KRISTIN K MAYES  
GARY PIERCE

ORIGINAL



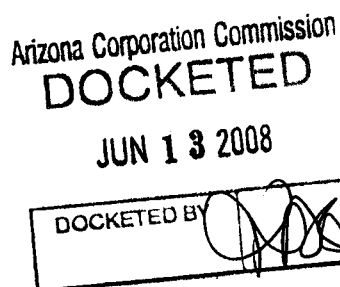
ARIZONA CORPORATION COMMISSION

06D

June 13, 2008

**CERTIFIED MAIL**

Mr. George Johnson  
Manager / Authorized Representative  
Johnson Utilities, L.L.C.  
5230 East Shea Boulevard  
Suite 200  
Scottsdale, Arizona 85254



RE: JOHNSON UTILITIES, L.L.C. - APPLICATION FOR A RATE INCREASE  
DOCKET NO. WS-02987A-08-0180

**SECOND LETTER OF DEFICIENCY**

Dear Mr. Johnson:

In reference to your rate application received on March 31, 2008, this letter is to inform you that your application has not met the sufficiency requirements as outlined in Arizona Administrative Code R14-2-103.

Staff found that your application was deficient on April 29, 2008. The Company submitted information in response to that letter. The information submitted did not sufficiently or completely address some of the deficiencies. The continued deficiencies are listed on a separate attachment. The 30-day sufficiency determination period will begin anew when the Company corrects the deficiencies and Docket Control receives an original, and 16 copies of the corrected pages.

You have 15 calendar days, or until June 30, 2008, to correct the deficiencies, or make other arrangements with Staff to remedy your rate application.

RECEIVED  
2008 JUN 13 A 10:01  
AZ CORP COMMISSION  
DOCKET CONTROL

Mr. George Johnson  
June 13, 2008  
Page 2

The Staff person assigned to your application is Jeffrey M. Michlik. He can be reached at (602) 364-2034, or toll free at (800) 222-7000, if you have any questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Elijah Abinah". The signature is fluid and cursive, with a large initial "E" and a stylized "A".

Elijah Abinah  
Assistant Director/Acting Chief Accountant  
Regulatory Analysis Section  
Utilities Division

EOA:JMM:tdp

CC: Docket Control Center  
Vicki Wallace, Consumer Services  
Delbert Smith, Engineering  
Lyn Farmer, Hearing Division  
Mr. Thomas J. Bourassa, CPA

**JOHNSON UTILITIES, L.L.C.**  
**RATE APPLICATION**  
**DOCKET NO. WS-02987A-08-0180**  
**TEST YEAR ENDED DECEMBER 31, 2007**  
**SECOND LIST OF DEFICIENCIES**

The specific items that have caused a second finding of deficiency are as follows:

**Accounting**

**Water Division**

1. From the Company's excel rate book, tab 1 Irr, included is a negative customer gallon usage of (174,700) and (128,700), producing present negative revenues of (\$480) and (\$365) respectively. However, the revised 1 inch irrigation customer bill count on schedule H-5, page 19, does not include these two negative customer usages. Please reconcile.
2. From the Company's excel rate book, tab 1.5 Com, included are the following customer gallon usages of 178,000, 192,000, 138,000, 9,994,000, (9,943,000), and (4,448,600), which produce present revenues of \$533, \$568, \$433, \$25073, \$(24,946), and \$(11,210). However, the revised 1 1/2 inch commercial customer bill counts on schedule H-5, page 8, does not include these customer usages. Please reconcile.

**Wastewater Division**

3. On schedule H-1, page 2, line 25, the revenue annualization amount for the 2 inch public authority customer was not included in the total revenue annualization amount (line 38) for both the present rates and proposed revenues.

**Engineering**

4. The response to Item 33-C is incomplete. The water use data sheets for both water systems, PWS Nos. 11-136 and 11-128, needs to include data for gallons pumped and gallons purchased. Please use the Water Use Data Sheet posted on the Commission's website and resubmit these sheets.
5. Your response to Item 34-B for the wastewater flow data seems to have combined all the wastewater flows from all your wastewater treatment plants/systems. According to the ADEQ Compliance Status Reports, you have 4 treatment plants/systems or maybe even more depending on other treatment plants listed in your submitted plant descriptions. With that said, please resubmit the Wastewater Flow Data for each individual wastewater treatment plant/system. If you cannot provide separate wastewater flow data for each individual treatment plant/system, please explain why this cannot be done.